

MEDICARE SUPPLEMENT REFUND CALCULATION FORM

FOR CALENDAR YEAR _____

TYPE¹ _____ SMSBP² _____
 For the State of _____
 Company Name _____
 NAIC Group Code _____ NAIC Company Code _____
 Person Completing This Exhibit _____
 Title _____ Telephone Number _____

Line	(a) Earned Premium ³	(b) Incurred Claims ⁴
1. Current year's experience		
a. Total (all policy years)		
b. Current year's issues ⁵		
c. Net (for reporting purposes = 1a - 1b)		
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2. Past year's experience (all policy years)	-----	-----
3. Total experience (net current year + past years' experience)	-----	-----
4. Refunds last year (excluding interest)		
5. Previous since inception (excluding interest)		
6. Refunds since inception (excluding interest)		
7. Benchmark ratio since inception		
8. Experienced ratio since inception (Ratio 2) Total actual incurred claims (line 3, col b) ÷ Tot. earned prem. (line 3, col a) - refunds since inception (line 6)		
9. Life years exposed since inception: If the experienced ratio is less than the benchmark ratio, and there are more than 500 life years exposure, then proceed to calculation of refund.		

¹ Individual, group, individual Medicare select, or group Medicare select only.

² "SMSBP" = Standardized Medicare Supplement Benefit Plan - use "p" for prestandardized plans.

³ Includes model loadings and fees charged.

⁴ Excludes active life reserves.

⁵ This is to be used as "Issue Year Earned Premium" for Year 1 of next year's "Reporting Form for Calculation of Benchmark Ratios"

10. Tolerance permitted (obtained from credibility table):		
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11. Adjustment to incurred claims for credibility ratio 3 = ratio 2 + tolerance		
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If ratio 3 is more than benchmark ratio (ratio 1), a refund or credit to premium is not required.
If ratio 3 is less than the benchmark ratio, then proceed.

12. Adjusted incurred claims = (tot. earned premiums (line 3, col a) - refunds since inception (line 6)) x ratio 3 (lines 11)		
13. Refund = total earned premium (line 3, col a) - refunds since inception (line 6) - Adjusted incurred claims (line 12) ÷ benchmark ratio (ratio 1)		

If the amount on line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise, the amount on line 13 is to be refunded or credited, and a description of the refund and/or credit against premiums to be used must be attached to this form.

Medicare Supplement Credibility Table	
Life Years Exposed Since Inception	Tolerance
10,000 +	0.0%
5,000 - 9,999	5.0%
2,500 - 4,999	7.5%
1,000 - 2,499	10.0%
500 - 999	15.0%
If less than 500, no credibility.	

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.

Signature: _____

Name - Please Type: _____

Title: _____

Date: _____